

Introduced by Senator JohannessenFebruary 10, 1999

An act to add Section 14132.18 to the Welfare and Institutions Code, relating to health, and declaring the urgency thereof, to take effect immediately.

LEGISLATIVE COUNSEL'S DIGEST

SB 353, as introduced, Johannessen. Medi-Cal: residential care facility services.

Existing law provides for the Medi-Cal program, administered by the State Department of Health Services, under which qualified low-income persons are provided with health care services.

Under existing law, one of the benefits covered under the Medi-Cal program is for services provided in long-term health care facilities.

This bill would require the department to submit a waiver request to the federal government to obtain coverage under the Medi-Cal program of services provided in residential care facilities.

The bill would declare that it is to take effect immediately as an urgency statute.

Vote: $\frac{2}{3}$. Appropriation: no. Fiscal committee: yes. State-mandated local program: no.

The people of the State of California do enact as follows:

1 SECTION 1. The Legislature finds and declares all of
2 the following:



- 1 (a) The number of home health agencies in this state
2 has doubled in the last four years.
- 3 (b) Health care service plans and insurance providers
4 are more frequently contracting with community-based
5 institutions, such as nursing facilities, to provide services
6 that were previously provided primarily by general acute
7 care hospitals.
- 8 (c) Consumer demands that long-term care services
9 be designed to match individual needs, maximize
10 independence, and prevent institutionalization are
11 causing changes in the long-term care industry.
- 12 (d) The long-term care service delivery system has
13 been changing due to consumer demands that the
14 industry coordinate its care, optimize community-based
15 options, and make available a choice of service and
16 service delivery options, thereby enabling existing family
17 and community-based systems of care to function most
18 effectively.
- 19 (e) Current state licensing categories do not provide
20 for the continuum of service delivery settings that best
21 allows the consumer to maximize his or her
22 independence.
- 23 (f) The categorical approach to funding elder health
24 care services is driven by antiquated reimbursement
25 mechanisms, licensing laws, and regulations. The
26 reimbursement scheme continues to be hospital and
27 institutional focused, despite the rise in home-based
28 services and widespread need for noninstitutional
29 services.
- 30 (g) Oregon, Washington, and Wisconsin, have
31 successfully expanded home and community-based care,
32 to help control increasing health care expenditures.
33 These states have been able to provide services to more
34 people using their available funds. Furthermore, 35 states
35 are currently using or planning to use similar models. Six
36 states are currently studying the issue.
- 37 (h) Every state that has adopted the federal waiver
38 program provided for pursuant to subsection (c) of
39 Section 1915 of the federal Social Security Act (42 U.S.C.
40 Sec. 1396n(c)), has found that the majority of nursing

1 home residents have only custodial care needs, for
2 example, help with bathing, dressing, and help to the
3 bathroom. Furthermore, states that have applied for this
4 federal waiver are able to provide services to more people
5 at the same cost.

6 SEC. 2. It is the intent of the Legislature to do all of
7 the following:

8 (a) Ensure that the elderly residents of this state are
9 properly cared for and that they have access to adequate
10 services, health facilities, and safety.

11 (b) Design a long-term care system that will provide
12 the elderly with the choice as to where they want to live
13 and receive care.

14 (c) Address the rapidly changing long-term care
15 delivery system and setting.

16 (d) Act as a bridge to future changes in the
17 administration of services to the elderly by maintaining
18 momentum for the development of a more fluid and
19 seamless long-term care delivery system and a system of
20 institutions.

21 (e) Facilitate the integration of licensure of long-term
22 care facilities by providing the encouragement to seek
23 out new systems of facility licensure.

24 SEC. 3. Section 14132.18 is added to the Welfare and
25 Institutions Code, to read:

26 14132.18. (a) In order to provide for coverage under
27 this chapter for services provided in residential care
28 facilities, the department shall apply to the federal
29 government for a waiver under subsection (c) of Section
30 1915 of the federal Social Security Act (42 U.S.C. Sec.
31 1396n(c)). The waiver proposal shall include a
32 commencement date of not later than September 15,
33 2000.

34 (b) If the waiver sought pursuant to subdivision (a) is
35 obtained, the Health and Welfare Agency, in
36 coordination with the California Department of aging,
37 the department, the State Department of Social Services,
38 the State Department of Mental Health, and the State
39 Department of Developmental Services, shall coordinate

1 efforts to ensure the successful implementation of the
2 waiver program.

3 SEC. 4. This act is an urgency statute necessary for the
4 immediate preservation of the public peace, health, or
5 safety within the meaning of Article IV of the
6 Constitution and shall go into immediate effect. The facts
7 constituting the necessity are:

8 In order to enable certain Medi-Cal recipients to have
9 a better quality of life and, at the same time, to realize a
10 savings in General Fund revenues, at the earliest possible
11 time, it is necessary that this act go into immediate effect.

